

### Baseline and Updated Estimates for the NPRA

The following table shows the baseline and updated figures from 2001 through 2013 using the estimated 1997 NPRA as a baseline:

Year	Consumer Price Index for Urban Area (CPI-U) <sup>1</sup>		NPRA
	Estimate	Increase <sup>2</sup>	
<b>1997 (Base Year)</b>	161.6		\$67,688
2001	176.2	9.03%	\$73,800
2002	178.8	10.64%	\$74,890
2003	184.2	13.99%	\$77,158
2004	187.4	15.97%	\$78,498
2005	193.3	19.62%	\$80,968
2006	199.8	23.64%	\$83,689
2007	205.352	27.07%	\$86,011
2008	213.528	32.13%	\$89,436
2009	212.709	31.63%	\$89, 098
2010	217.631	34.66%	\$91, 148
2011	223.467	38.28%	\$93, 598

2012	229.392	41.94%	\$96,083
2013	232.773	44.04%	\$97, 497

1. Consumer price index. Bureau of labor statistics series id: CUUR000SAO Website: [www.bls.gov](http://www.bls.gov);
2. Increases are computed relative to the CPI-U for the baseline year.

### **Methodology: Computing the NPRA**

The NPRA is updated for the calculation of DME payments. **The basic formula includes computing the percent increase in CPI-U and using that percent to adjust the 1997 baseline value estimated for 1997.**

**Specifically:**

**Percent Increase in CPI-U**= 
$$\frac{\text{Current Yr CPIU} - \text{1997 Base Yr CPIU}}{\text{1997 Base Yr CPIU}} \times 100$$

**NPRA Update:** 
$$(\text{NPRA 1997 Yr}) * (1 + \frac{\text{Current Yr CPIU} - \text{1997 Base Yr CPIU}}{\text{1997 Base Yr CPIU}})$$

**1997 Base year NPRA = \$67, 688**

**For 2008, the percent** increase in CPI-U is as follows:

$$\text{Percent Increase} = \frac{213.528 - 161.6}{161.6} = 32.13\%$$

$$\text{NPRA 2008} = (\$67,688 \times 1.3213) = \mathbf{\$89, 436}$$

**For 2009, the percent** increase in CPI-U is as follows:

$$\text{Percent Increase in CPI-U} = \frac{212.709 - 161.6}{161.6} = 31.63\%$$

$$\text{NPRA 2009} = (\$67,688 \times 1.3163) = \mathbf{\$89,098}$$

**For 2010, the percent** increase in CPI-U is as follows:

$$\text{Percent Increase in CPI-U} = \frac{217.613 - 161.6}{161.6} = 34.66 \%$$

$$\text{NPRA 2010} = (\$67,688 \times 1.3466) = \mathbf{\$91,148}$$

**For 2011, the percent** increase in CPI-U is as follows:

$$\text{Percent Increase in CPI-U} = \frac{223.467 - 161.6}{161.6} = 38.28 \%$$

$$\text{NPRA 2011} = (\$67,688 \times 1.3828) = \mathbf{\$93,598}$$

**For 2012, the percent** increase in CPI-U is as follows:

$$\text{Percent Increase in CPI-U} = \frac{229.392 - 161.6}{161.6} = 41.95\%$$

$$\text{NPRA 2012} = (\$67,688 \times 1.4195) = \mathbf{\$96,083}$$

**For 2013, the percent** increase in CPI-U is as follows:

$$\text{Percent Increase in CPI-U} = \frac{232.773 - 161.6}{161.6} = 44.04\%$$

$$\text{NPRA 2013} = (\$67,688 \times 1.4404) = \mathbf{\$97,497}$$